GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1638
ANSWERED ON:23.08.2007
PARTNERSHIP OF RIGS WITH PRIVATE OPERATORS
Mehta Shri Bhubneshwar Prasad

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Director General, DGH intends to withdraw some blocks of oil and gas from ONGC as it has failed to start the exploration work on these blocks in time though ONGC is in favour of entering into partnership of its rigs with private oil block operators;

(b) if so, the facts and details thereof;

(c) the objectives with which ONGC wants to enter into partnership with private operators; and

(d) whether any benefits are likely to accrue in the field of oil and gas exploration due to the partnerships of rigs with private operators?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) & (b): No, Sir. There is no such proposal under consideration of the Government. In terms of the provisions of the Production Sharing Contracts (PSCs), in case the contractor/ company fails to complete the committed Minimum Work Programme (MWP), it is liable to pay to the Government an amount equal to the amount required to complete the unfinished work programme and forthwith relinquish the block. Government also has the right to terminate the contract in case the contractor fails to abide by the terms and conditions of the PSC. As soon as a PSC is terminated, the concerned block reverts to the Government.

To overcome the problem of availability of offshore rigs, DGH initiated rig sharing concept on pilot basis in East Coast deepwater areas among the operators to enable them to carry out their respective work programme commitments.

(c): The objective behind entering into partnership with private operators was to optimize the utilization of available resources.

(d): The sharing of rig resources with private operators will help in expediting the exploratory efforts.